

Message Text

UNCLASSIFIED

PAGE 01 EC BRU 05036 091959Z

73

ACTION EUR-25

INFO OCT-01 ISO-00 ACDA-19 CIAE-00 INR-10 IO-14 L-03

NSAE-00 NSC-07 RSC-01 SCI-06 FEA-02 PM-07 DODE-00

NSF-04 DRC-01 /100 W

----- 058661

R 091809Z JUL 74

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 7178

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AEC GERMANTOWN 1237

USMISSION OECD PARIS

UNCLAS EC BRUSSELS 5036

E.O. 11652: NA

TAGS: TECH, EEC, US

SUBJECT: URANIUM ENRICHMENT

REF: EC BRUSSELS 4778 (NOTAL)

1. SUMMARY: AT THE JULY 9 SESSION OF THE EUROPEAN PARLIAMENT, EC COMMISSION VICE PRESIDENT SIMONET PUBLICLY STATED IN REPLY TO PARLIAMENTARY QUESTIONS THAT THE COMMUNITY WOULD BE FORCED TO TURN TO THE SOVIET UNION FOR ENRICHED URANIUM IF USAEC IS UNABLE TO MEET THE REQUIREMENTS OF EUROPEAN CUSTOMERS. HE SAID IT WOULD ALSO BE NECESSARY TO ASK URENCO AND EURODIF TO RECONSIDER THEIR PLANS AND DEVELOP GREATER EUROPEAN CAPACITY THAN PRESENTLY ENVISAGED. END SUMMARY.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 EC BRU 05036 091959Z

2. DURING THE QUESTION HOUR IN THE EUROPEAN PARLIAMENT IN

STRASBOURG ON JULY 9, EC COMMISSION VICE PRESIDENT SIMONET WAS ASKED A GENERAL QUESTION REGARDING THE FUTURE PLANS FOR NUCLEAR ENERGY IN THE EC. IN HIS REPLY SIMONET REVIEWED THE COMMISSION'S PLANS FOR A FUTURE ENERGY STRATEGY AND NOTED THE NEED TO PROCEED CAREFULLY IN THE NUCLEAR FIELD BECAUSE OF WHAT HE CALLED THE IMBALANCE IN THE SUPPLY AND DEMAND OF NATURAL AND ENRICHED URANIUM. REGARDING THE LATTER, HE SAID " SOME DIFFICULTIES" HAD ARISEN ABOUT USAEC ENRICHMENT CONTRACTS FOR THE PERIOD 1981-91 (SIC) AND SAID HE HOPED "THE U.S. AUTHORITIES CAN ASSURE US THAT OUR CONTRACTS CAN BE SIGNED". IF NOT, HE SAID IT WOULD BE NECESSARY FOR THE EC TO TAKE STEPS TO UNSURE THAT THE PLANS FOR EUROPEAN NUCLEAR PLANTS CAN BE REALIZED; IT WOULD BE NECESSARY TO TURN TO THE TWO EUROPEAN ENRICHMENT PRODUCERS--URENCO AND EURODIF--AND ASK THEM TO CONSIDER ENLARGING THEIR PLANT CAPACITIES AND IT WOULD BE NECESSARY TO TURN TO THE SOVIET UNION FOR THE SUPPLY OF ENRICHED URANIUM.

3. IN AN OBVIOUS REFERENCE TO FRANCE, A PARLIAMENT MEMBER ASKED SIMONET TO COMMENT ON THE PRESENT SITUATION IN WHICH ONE MEMBER STATE HAS CONTRACTED FOR SALE OUTSIDE THE COMMUNITY OF ENRICHED URANIUM AT A TIME OF SUPPLY DIFFICULTIES AND WHEN ANOTHER MEMBER STATE IS IMPORTING ENRICHED URANIUM FROM THE SOVIET UNION. IN RESPONSE, SIMONET SAID THE NEGOTIATIONS HAVE NOT YET RESULTED IN THE SALES OF ENRICHED URANIUM AND, IN ANY CASE, THOSE NEGOTIATIONS HAD BEGUN WHEN "WE WERE NOT YET AWARE OF AEC DIFFICULTIES." HE SAID AGAIN HE HOPED THAT THE AEC CONTRACTS WILL BE SIGNED BUT IF NOT, MEASURES WOULD BE REQUIRED TO SAFEGUARD THE INTERESTS OF EUROPEAN CUSTOMERS. TO ANOTHER QUESTIONER WHO ASKED ABOUT THE POSSIBILITY OF EC PARTICIPATION IN ENRICHMENT CAPACITY IN A COUNTRY HAVING NATURAL URANIUM, SUCH AS CANADA, SIMONET SAID THE EC SHOULD FIRST LOOK AT THE POSSIBILITY OF CREATING AN AUTONOMOUS CAPACITY IN EUROPE. HE SAID THAT WHEREAS EARLIER CRITICISMS HAD BEEN HEARD IN THE PROTECTIONIST NATURE OF COMMISSION PROPOSALS BECAUSE THEY URGED EUROPEAN CUSTOMERS TO BUY FROM URENCO AND EURODIF IN ORDER TO HELP THEM, IT IS NOW CLEAR THEY WERE NOT TOO AMBITIOUS BUT TOO TIMID IN THEIR PLANS.

4. AS MORE AND MORE MEMBERS BEGAN TO PARTICIPATE IN THE DEBATE, SIMONET WAS ASKED ABOUT THE NATURE OF THE DIFFICULTIES WITH THE UNCLASSIFIED

UNCLASSIFIED

PAGE 03 EC BRU 05036 091959Z

AEC. HE GAVE THE FOLLOWING SYNOPSIS IN RESPONSE: THE DIFFICULTIES AT FIRST WERE BASICALLY REGARDING PRICE. (COMMENT: SIMONET DID NOT ELABORATE AND WE KNOW OF NO ISSUE THAT INVOLVED PRICE.) THE AEC HAD THEN SET JUNE 30 AS THE DEADLINE FOR NEW CONTRACTS. NOW THAT THE DEADLINE HAS PASSED, THE AEC HAS SAID IT MUST HAVE TIME TO CONSIDER ALL QUESTIONS RELATING TO ENRICHMENT BECAUSE A NUMBER OF REQUESTS FOR CONTRACTS NOW EXCEED AEC ENRICHMENT CAPABILITY. IN ITS CONSIDERATION, THE AEC IS

LOOKING AT THE POSSIBILITY OF PLUTONIUM RECYCLING AND IS REVIEWING DIFFERENT REQUESTS FOR ENRICHMENT CONTRACTS. THE DANGER IS THAT SOME EUROPEAN REQUESTS MAY NOT BE MET AND THE EC WOULD THEN HAVE TO MAKE SOME "DELICATE AND SENSITIVE DECISIONS." IN RESPONDING TO A FUTURE QUESTIONER WHO IMPLIED THE COMMISSION IS NOT DOING ALL IT SHOULD IN THE PRESENT SITUATION, SIMONET SAID NO FINAL DECISION HAS YET BEEN MADE THAT THE US WILL NOT MEET EUROPEAN NEEDS. IN THAT SITUATION ARISES, HE REPEATED THAT THE COMMUNITY WILL HAVE TO CONSIDER TURNING TO OTHER EXTERNAL SOURCES AND STRENGTHENING EUROPEAN ENRICHMENT CAPABILITIES.

5. COMMENT: IT IS CLEAR THAT THE DISCUSSION AROUSED CONSIDERABLE INTEREST AMONG MEMBERS OF THE EUROPEAN PARLIAMENT WHO HAD NOT OTHERWISE BEEN AWARE OF THE PROBLEM, ALTHOUGH A FRONT-PAGE ARTICLE IN THE LONDON TIMES ON JULY 8 HAD INITIATED A CERTAIN AMOUNT OF INTEREST, ESPECIALLY AMONG THOSE WHO FOLLOW NUCLEAR ENERGY MATTERS. IT MAY BE THAT TODAY'S DEBATE MAY STIMULATE MORE WIDESPREAD INTEREST IN THE SUBJECT. GREENWALD

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PLUTONIUM, URANIUM, SCIENTIFIC COOPERATION, CONTRACTS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 09 JUL 1974
Decapton Date: 01 JAN 1960
Decapton Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ECBRU05036
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740182-1082
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740766/aaaaceio.tel
Line Count: 134
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: EC BRUSSELS 4778 (NOTAL)
Review Action: RELEASED, APPROVED
Review Authority: boyleja
Review Comment: n/a
Review Content Flags:
Review Date: 29 OCT 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <29 OCT 2002 by ThomasVJ>; APPROVED <15 JAN 2003 by boyleja>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: URANIUM ENRICHMENT
TAGS: TECH, US, EEC
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005